Calendar No. 988

110TH CONGRESS 2D SESSION

S. 2842

To require the Secretary of the Interior to carry out annual inspections of canals, levees, tunnels, dikes, pumping plants, dams, and reservoirs under the jurisdiction of the Secretary, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 10, 2008

Mr. Reid (for himself, Mr. Bingaman, Mr. Salazar, and Mr. Tester) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

September 16, 2008

Reported by Mr. BINGAMAN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To require the Secretary of the Interior to carry out annual inspections of canals, levees, tunnels, dikes, pumping plants, dams, and reservoirs under the jurisdiction of the Secretary, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

2	This Act may be cited as the "Aging Water Infra-
3	structure and Maintenance Act".
4	SEC. 2. DEFINITIONS.
5	In this Act:
6	(1) Inspection.—The term "inspection"
7	means an inspection of a project facility carried out
8	by the Secretary—
9	(A) to assess and determine the general
10	condition of the project facility; and
11	(B) to estimate the value of property, and
12	the size of the population, that would be at risk
13	if the project facility fails, is breached, or other-
14	wise allows flooding to occur.
15	(2) Project facility.—The term "project fa-
16	eility" means any part or incidental feature of a rec-
17	lamation or irrigation project (including any canal,
18	levee, tunnel, dike, pumping plant, dam, or res-
19	ervoir) that is—
20	(A) under the jurisdiction of the Secretary
21	(including any facility owned by the Depart-
22	ment of the Interior); and
23	(B) not covered by the Reclamation Safety
24	of Dams Act of 1978 (43 U.S.C. 506 et seq.).
25	(3) RESERVED PROJECT FACILITY.—The term
26	"reserved project facility" means any project facility

1	at which the Secretary earries out the operation and
2	maintenance of the project facility.
3	(4) Secretary.—The term "Secretary" means
4	the Secretary of the Interior, acting through the
5	Commissioner of Reclamation.
6	(5) Transferred Project Facility. The
7	term "transferred project facility" means a project
8	facility the operation and maintenance of which is
9	carried out by a non-Federal entity.
10	SEC. 3. INSPECTION OF PROJECT FACILITIES.
11	(a) Inspections.—
12	(1) Initial inspection period.—
13	(A) In General.—In accordance with
14	subparagraph (B), not later than 1 year after
15	the date of enactment of this Act, the Secretary
16	shall conduct an inspection of not less than 75
17	percent of all project facilities.
18	(B) SELECTION OF PROJECT FACILI-
19	TIES.—In selecting project facilities to inspect
20	during the initial inspection period under sub-
21	paragraph (A), the Secretary shall take into ac-
22	count the risk posed by each project facility to
23	public health or safety, or property.
24	(2) Final inspection period.—Not later
25	than 2 years after the date of enactment of this Act

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- the Secretary shall conduct an inspection of each project facility not inspected by the Secretary during the initial inspection period under paragraph (1)(A).
- 4 (3) REIMBURSEMENT RELATING TO INSPEC-5 TIONS OF TRANSFERRED PROJECT FACILITIES. 6 Notwithstanding any applicable law (including regu-7 lations), with respect to an inspection of a trans-8 ferred project facility earried out under this sub-9 section, the Secretary may not request from the non-10 Federal entity that carries out the operation and maintenance of the transferred project facility reim-12 bursement for costs arising from the inspection.
 - (4) Periodic Review of Inspections.—Not later than 3 years after the date described in paragraph (2) and every 3 years thereafter, the Secretary shall carry out a review of each inspection carried out under paragraphs (1) and (2).
- 18 (b) Use of Inspection Data.—The Secretary shall use the data collected by the Secretary through the con-20 duet of the inspections under paragraphs (1) and (2) of 21 subsection (a)—
- 22 (1) to develop for each reserved project facility 23 a detailed schedule for the conduct of regular main-24 tenance;

1	(2) to develop for, and provide to, each non-
2	Federal entity that carries out the operation and
3	maintenance of a transferred project facility—
4	(A) a detailed schedule for the conduct of
5	regular maintenance; and
6	(B) a document that contains guidance de-
7	scribing the manner by which to comply with
8	the schedule described in subparagraph (A)
9	and
10	(3) to create a national priorities list that con-
11	tains a description of each project facility that re-
12	quires the most urgent maintenance with respect to
13	the infrastructure of the project facility.
14	(e) National Priorities List.—
15	(1) Annual Review.—Not later than 1 year
16	after the date on which the Secretary develops the
17	national priorities list under subsection (b)(3) and
18	annually thereafter, the Secretary shall carry out a
19	review of each project facility to update the list for
20	the year covered by the review.
21	(2) Publication.—The national priorities list
22	shall be published by the Secretary in the budget
23	justification of the Department of the Interior for

the year covered by the national priorities list.

1	(d) STATE PARTICIPATION.—In conducting an in-
2	spection of a project facility under subsection (a), the Sec-
3	retary shall—
4	(1) notify the appropriate State agency of the
5	State in which the project facility is located of the
6	inspection;
7	(2) allow the State agency described in para-
8	graph (1) to participate in the inspection of the
9	project facility; and
10	(3) provide to the State agency described in
11	paragraph (1) a report that describes the results of
12	the inspection of the project facility.
13	SEC. 4. FEDERAL STANDARDS AND GUIDELINES FOR
13 14	SEC. 4. FEDERAL STANDARDS AND GUIDELINES FOR PROJECT FACILITIES.
14	PROJECT FACILITIES.
14 15	PROJECT FACILITIES. (a) PROMULGATION OF STANDARDS.—
14 15 16	PROJECT FACILITIES. (a) Promulgation of Standards.— (1) In General.—Not later than 180 days
14 15 16 17	PROJECT FACILITIES. (a) PROMULGATION OF STANDARDS. (1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in accord-
14 15 16 17	PROJECT FACILITIES. (a) PROMULGATION OF STANDARDS. (1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in accordance with paragraph (2), the Secretary shall promul-
14 15 16 17 18	PROJECT FACILITIES. (a) PROMULGATION OF STANDARDS. (1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in accordance with paragraph (2), the Secretary shall promulgate final regulations to establish standards for the
14 15 16 17 18 19 20	(a) Promulgation of Standards. (1) In General.—Not later than 180 days after the date of enactment of this Act, in accordance with paragraph (2), the Secretary shall promulgate final regulations to establish standards for the condition and maintenance of project facilities.
14 15 16 17 18 19 20 21	PROJECT FACILITIES. (a) PROMULGATION OF STANDARDS. (1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, in accordance with paragraph (2), the Secretary shall promulgate final regulations to establish standards for the condition and maintenance of project facilities. (2) Contents.—The regulations promulgated
14 15 16 17 18 19 20 21	(a) Promulgation of Standards. (1) In General.—Not later than 180 days after the date of enactment of this Act, in accordance with paragraph (2), the Secretary shall promulgate final regulations to establish standards for the condition and maintenance of project facilities. (2) Contents.—The regulations promulgated by the Secretary under paragraph (1) shall contain

1	(A) to function properly and in accordance
2	with the objectives of the project facility; and
3	(B) to operate in a manner to ensure, to
4	the maximum extent practicable—
5	(i) the safety of populations located in
6	close proximity to the project facility; and
7	(ii) the preservation of property lo-
8	eated in close proximity to the project fa-
9	eility.
10	(b) Promulgation of Guidelines.—
11	(1) In General.—Not later than 1 year after
12	the date of enactment of this Act, in accordance
13	with paragraph (2), the Secretary shall promulgate
14	final regulations to establish guidelines—
15	(A) to implement this Act; and
16	(B) to ensure compliance with the regula-
17	tions promulgated by the Secretary under sub-
18	section (a).
19	(2) Contents.—The regulations promulgated
20	by the Secretary under paragraph (1) shall reflect
21	an agency-wide policy with respect to the type, and
22	proportion of, activities relating to the operation and
23	maintenance of a project facility that may be appro-
24	priately carried out by a non-Federal entity, taking
25	into account—

1	(A) any economic benefit that may result
2	from the earrying out of the activities by a non-
3	Federal entity; and
4	(B) the capabilities of the non-Federal en-
5	tity to carry out the activities.
6	SEC. 5. MODIFICATION OF PROJECT FACILITIES.
7	(a) IN GENERAL.—The Secretary shall carry out or,
8	in accordance with subsection (b), provide to a non-Fed-
9	eral entity financial support to carry out, any modification
10	to a project facility that the Secretary determines to be
11	reasonably required to preserve the structural safety of the
12	project facility.
13	(b) REIMBURSEMENT OF COSTS ARISING FROM THE
14	REPAIR OF STRUCTURALLY DEFICIENT TRANSFERRED
15	Project Facilities.—
16	(1) COMPLIANT TRANSFERRED PROJECT FA-
17	CHATIES.—
18	(A) In General. Subject to subpara-
19	graph (B), to reimburse a non-Federal entity
20	for costs arising from the carrying out of repair
21	activities to improve the safety of a transferred
22	project facility, the Secretary may provide to
23	the non-Federal entity an amount equal to 65
24	percent of the costs incurred by the non-Fed-
25	eral entity to carry out the renair activities.

1	(B) Determination of secretary.—
2	The Secretary shall reimburse the non-Federal
3	entity described in subparagraph (A) if the Sec-
4	retary determines that—
5	(i) the transferred project facility of
6	the non-Federal entity is structurally defi-
7	cient; and
8	(ii) the structural deficiency is not a
9	result of noncompliance with any regula-
10	tion promulgated by the Secretary under
11	section 4.
12	(2) Noncompliant transferred project
13	FACILITIES.
14	(A) In General.—The Secretary may
15	earry out any repair activity that the Secretary
16	determines to be necessary to minimize the risk
17	of imminent harm to public health or safety, or
18	property—
19	(i) if the Secretary determines that—
20	(I) the transferred project facility
21	is structurally deficient; and
22	(II) the structural deficiency is a
23	result of noncompliance with any reg-
24	ulation promulgated by the Secretary
25	under section 4; and

1	(ii) after the date on which the Sec-
2	retary consults with the non-Federal entity
3	that earries out the operation and mainte-
4	nance of the transferred project facility.
5	(B) REIMBURSEMENT.—In accordance
6	with any applicable law (including regulations)
7	or agreement, the Secretary may seek reim-
8	bursement from the non-Federal entity that
9	carries out the operation and maintenance of
10	the transferred project facility described in sub-
11	paragraph (A) for costs arising from each re-
12	pair activity carried out by the Secretary under
13	that subparagraph.
14	SEC. 6. AUTHORIZATION OF APPROPRIATIONS.
15	(a) Inspection of Project Facilities.—There
16	are authorized to be appropriated to the Secretary to carry
17	out section 3—
18	(1) \$5,000,000 for fiscal year 2009; and
19	(2) \$1,500,000 for each of fiscal years 2010
20	through 2013.
21	(b) Modification of Project Facilities.—There
22	are authorized to be appropriated such sums as are nec-
23	essary to carry out section 5.

1 SECTION 1. SHORT TITLE.

2	This Act may be cited as the "Aging Water Infrastruc-
3	ture and Maintenance Act".
4	SEC. 2. DEFINITIONS.
5	In this Act:
6	(1) Inspection.—The term "inspection" means
7	an inspection of a project facility carried out by the
8	Secretary—
9	(A) to assess and determine the general con-
10	dition of the project facility; and
11	(B) to estimate the value of property, and
12	the size of the population, that would be at risk
13	if the project facility fails, is breached, or other-
14	wise allows flooding to occur.
15	(2) Project facil-The term "project facil-
16	ity" means any part or incidental feature of a
17	project, excluding high- and significant-hazard dams,
18	constructed under the Federal reclamation law (the
19	Act of June 17, 1902 (32 Stat. 388, chapter 1093),
20	and Acts supplemental to and amendatory of that Act
21	(43 U.S.C. 371 et seq.).
22	(3) Reserved works.—The term "reserved
23	works" mean any project facility at which the Sec-
24	retary carries out the operation and maintenance of
25	the project facility

1	(4) Secretary.—The term "Secretary" means
2	the Secretary of the Interior, acting through the Com-
3	missioner of Reclamation.
4	(5) Transferred works.—The term "trans-
5	ferred works" means a project facility, the operation
6	and maintenance of which is carried out by a non-
7	Federal entity, under the provisions of a formal oper-
8	ation and maintenance transfer contract.
9	(6) Transferred works operating entity.—
10	The term "transferred works operating entity" means
11	the organization which is contractually responsible
12	for operation and maintenance of transferred works.
13	(7) Extraordinary operation and mainte-
14	NANCE WORK.—The term "extraordinary operation
15	and maintenance work" means major, nonrecurring
16	maintenance to Reclamation-owned or operated facili-
17	ties, or facility components, that is—
18	(A) intended to ensure the continued safe,
19	dependable, and reliable delivery of authorized
20	project benefits; and
21	(B) greater than 10 percent of the contrac-
22	tor's or the transferred works operating entity's
23	annual operation and maintenance budget for
24	the facility, or greater than \$100,000.

SEC. 3. GUIDELINES AND INSPECTION OF PROJECT FACILI-

2 TIES AND T	TECHNICAL ASSISTANCE TO TRANS
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3 FERRED WORKS OPERATING ENTITIES.

(a) Guidelines and Inspections.—

- (1) Development of Guidelines.—Not later than 1 year after the date of enactment of this Act, the Secretary in consultation with transferred works operating entities shall develop, consistent with existing transfer contracts, specific inspection guidelines for project facilities which are in proximity to urbanized areas and which could pose a risk to public safety or property damage if such project facilities were to fail.
- (2) Conduct of inspections.—Not later than 3 years after the date of enactment of this Act, the Secretary shall conduct inspections of those project facilities, which are in proximity to urbanized areas and which could pose a risk to public safety or property damage if such facilities were to fail, using such specific inspection guidelines and criteria developed pursuant to paragraph (1). In selecting project facilities to inspect, the Secretary shall take into account the potential magnitude of public safety and economic damage posed by each project facility.

1	(3) Treatment of costs.—The costs incurred
2	by the Secretary in conducting these inspections shall
3	be nonreimbursable.
4	(b) Use of Inspection Data.—The Secretary shall
5	use the data collected through the conduct of the inspections
6	under subsection (a)(2) to—
7	(1) provide recommendations to the transferred
8	works operating entities for improvement of operation
9	and maintenance processes, operating procedures in-
10	cluding operation guidelines consistent with existing
11	transfer contracts, and structural modifications to
12	those transferred works;
13	(2) determine an appropriate inspection fre-
14	quency for such nondam project facilities which shall
15	not exceed 6 years; and
16	(3) provide, upon request of transferred work op-
17	erating entities, local governments, or State agencies,
18	information regarding potential hazards posed by ex-
19	isting or proposed residential, commercial, industrial
20	or public-use development adjacent to project facili-
21	ties.
22	(c) Technical Assistance to Transferred Works
23	Operating Entities.—
24	(1) Authority of Secretary to provide
25	TECHNICAL ASSISTANCE.—The Secretary is author-

1	ized, at the request of a transferred works operating
2	entity in proximity to an urbanized area, to provide
3	technical assistance to accomplish the following, if
4	consistent with existing transfer contracts:
5	(A) Development of documented operating
6	procedures for a project facility.
7	(B) Development of documented emergency
8	notification and response procedures for a
9	project facility.
10	(C) Development of facility inspection cri-
11	teria for a project facility.
12	(D) Development of a training program on
13	operation and maintenance requirements and
14	practices for a project facility for a transferred
15	works operating entity's workforce.
16	(E) Development of a public outreach plan
17	on the operation and risks associated with a
18	project facility.
19	(F) Development of any other plans or doc-
20	umentation which, in the judgment of the Sec-
21	retary, will contribute to public safety and the
22	sage operation of a project facility.
23	(2) Costs.—The Secretary is authorized to pro-
24	vide, on a non-reimbursable basis, up to 50 percent
25	of the cost of such technical assistance, with the bal-

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1	ance of such costs being advanced by the transferred
2	works operating entity or other non-Federal source.
3	The non-Federal 50 percent minimum cost share for
4	such technical assistance may be in the form of in-
5	lieu contributions of resources by the transferred
6	works operating entity or other non-Federal source.
7	SEC. 4. EXTRAORDINARY OPERATION AND MAINTENANCE
8	WORK PERFORMED BY THE SECRETARY.
9	(a) In General.—The Secretary or the transferred
10	works operating entity may carry out, in accordance with
11	subsection (b) and consistent with existing transfer con-
12	tracts, any extraordinary operation and maintenance work
13	on a project facility that the Secretary determines to be rea-
14	sonably required to preserve the structural safety of the
15	project facility.
16	(b) Reimbursement of Costs Arising From Ex-
17	Traordinary Operation and Maintenance Work.—
18	(1) Treatment of costs.—For reserved works,
19	costs incurred by the Secretary in conducting extraor-
20	dinary operation and maintenance work will be allo-
21	cated to the authorized reimbursable purposes of the
22	project and shall be repaid within 50 years, with in-
23	terest, from the year in which work undertaken pur-

 $suant\ to\ this\ Act\ is\ substantially\ complete.$

- (2) Authority of Secretary.—For transferred works, the Secretary is authorized to advance the costs incurred by the transferred works operating entity in conducting extraordinary operation and maintenance work and negotiate appropriate 50-year repayment contracts with project beneficiaries providing for the return of reimbursable costs, with interest, under this subsection: Provided, however, That no contract entered into pursuant to this Act shall be deemed to be a new or amended contract for the purposes of section 203(a) of the Reclamation Reform Act of 1982 (43 U.S.C. 390cc(a)).
 - interest rate used for computing interest on work in progress and interest on the unpaid balance of the reimbursable costs of extraordinary operation and maintenance work authorized by this Act shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which extraordinary operation and maintenance work is commenced, on the basis of average market yields on outstanding marketable obligations of the United States with the remaining periods of maturity comparable to the applicable reimbursement period of the project, adjusted

- 1 to the nearest ½ of 1 percent on the unamortized bal-2 ance of any portion of the loan.
- 3 (c) Emergency Extraordinary Operation and 4 Maintenance Work.—
 - (1) In General.—The Secretary or the transferred works operating entity shall carry out any emergency extraordinary operation and maintenance work on a project facility that the Secretary determines to be necessary to minimize the risk of imminent harm to public health or safety, or property.
 - (2) REIMBURSEMENT.—The Secretary may advance funds for emergency extraordinary operation and maintenance work and shall seek reimbursement from the transferred works operating entity or benefitting entity upon receiving a written assurance from the governing body of such entity that it will negotiate a contract pursuant to section 4 for repayment of costs incurred by the Secretary in undertaking such work.
 - (3) Funding.—If the Secretary determines that a project facility inspected and maintained pursuant to the guidelines and criteria set forth in section 3(a) requires extraordinary operation and maintenance pursuant to paragraph (1), the Secretary may provide Federal funds on a nonreimbursable basis suffi-

1	cient to cover 35 percent of the cost of the extraor-
2	dinary operation and maintenance allocable to the
3	transferred works operating entity, which is needed to
4	minimize the risk of imminent harm. The remaining
5	share of the Federal funds advanced by the Secretary
6	for such work shall be repaid under subsection (b).
7	SEC. 5. RELATIONSHIP TO TWENTY-FIRST CENTURY WATER
8	WORKS ACT.
9	Nothing in this Act shall preclude a transferred works
10	operating entity from applying and receiving a loan-guar-
11	antee pursuant to the Twenty-First Century Water Works
12	Act (43 U.S.C. 2401 et seq.).
13	SEC. 6. AUTHORIZATION OF APPROPRIATIONS.
14	There are authorized to be appropriated such sums as
15	are necessary to carry out this Act.
16	SEC. 7. LOAN GUARANTEE FINANCE DEMONSTRATION PRO-
17	GRAM.
18	(a) Definitions.—In this section:
19	(1) Secretary.—The term "Secretary" means
20	the Secretary of the Interior.
21	(2) Federal loan guarantee and loan guar-
22	ANTEE.—The terms "Federal loan guarantee" and
23	"loan guarantee" have the meaning given the terms
24	in the Twenty-First Century Water Works Act (43
25	U.S.C. 2401 et sea.).

- 1 (3) Demonstration project AND PROJECT.—
 2 The terms "demonstration project" and "project"
 3 have the meaning given the term "project" in section
 4 202 of the Twenty-First Century Water Works Act
 5 (43 U.S.C. 2421).
 - (4) Lender.—The term "lender" has the meaning given the term in section 202 of the Twenty-First Century Water Works Act (43 U.S.C. 2421).
 - "loan guarantee subsidy cost" has the meaning given under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.) as the annual budget authority needed to cover the portion of credit assistance estimated to be un-recovered because of defaults, expressed as a percentage of the amount of each loan approved for guarantee. This definition shall apply to loan guarantees given to improve facilities to which the Federal Government holds title, as well as to non-Federal facilities.

(b) Demonstration Program.—

(1) IDENTIFICATION OF DEMONSTRATION
PROJECTS.—Within 180 days of enactment of this
Act, the Secretary shall identify no more than 3
projects as eligible for Federal loan guarantees. The
identified projects shall include at least 1 project in-

- volving extraordinary operation and maintenance
 work.
- 3 (2) Memorandum of Agreement.—Within 90 4 days of enactment of this Act, the Secretary shall 5 complete the Interagency Coordination and Coopera-6 tion actions in section 209 of the Twenty-First Cen-7 tury Water Works Act (43 U.S.C. 2428).
 - (3) ELIGIBILITY OF PROJECTS.—Within 270 days of enactment of this Act, and in accordance with an agreement with the entities seeking to carry-out the projects identified under paragraph (1), the Secretary shall make available to lenders Federal loan guarantees equal to the full cost of projects identified in this section.
 - (4) SUBSIDY.—The loan guarantee subsidy cost shall be the greater of 2 percent or the subsidy determined by the Secretary of Agriculture for covering the Federal cost of guaranteeing loans to lenders financing water projects under the United States Department of Agricultural Rural Development authorities.
- 21 (c) AUTHORIZATION OF APPROPRIATIONS.—There are 22 authorized to be appropriated such sums as are necessary 23 to carry out this title, to remain available until expended.

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Calendar No. 988

110TH CONGRESS S. 2842

A BILL

To require the Secretary of the Interior to carry out annual inspections of canals, levees, tunnels, dikes, pumping plants, dams, and reservoirs under the jurisdiction of the Secretary, and for other purposes.

September 16, 2008

Reported with an amendment